

## 2000 SERVICE PROGRAM & BUDGET HIGHLIGHTS

The proposed budgets for each of the City's funds are listed in the table below. After adjusting for Interfund Transfers, in 2000, these

budgets together total \$188,772,545 which is 1% below the 1999 projected total.

### All Funds Summary

<u>Fund</u>	<u>1999 Projected</u>	<u>2000 Budget</u>	<u>Difference Amount</u>	<u>Difference Percent</u>
General	\$ 100,618,927	\$ 100,686,454	\$ 67,527	0.1%
Hazardous Materials	253,937	269,683	15,746	6.2%
Grant	11,572,461	9,730,311	(1,842,150)	-15.9%
Community Development	17,824,787	14,691,736	(3,133,051)	-17.6%
Emergency Communications	1,772,853	1,743,883	(28,970)	-1.6%
Sanitation	22,340,040	23,714,359	1,374,319	6.2%
Water & Sewer	33,670,772	34,257,313	586,541	1.7%
I & D Water Supply	6,599,635	7,805,462	1,205,827	18.3%
Golf Course	94,500	97,500	3,000	3.2%
Civic Center	2,768,059	2,699,090	(68,969)	-2.5%
Parking	4,684,247	4,797,072	112,825	2.4%
Vehicle Purchase	4,991,773	4,517,230	(474,543)	-9.5%
Computer Purchase	547,076	495,103	(51,973)	-9.5%
Internal Services	<u>7,620,842</u>	<u>7,329,282</u>	<u>(291,560)</u>	-3.8%
SUBTOTAL	\$ 215,359,909	\$ 212,834,478	\$ (2,525,431)	-1.2%
Less Interfund Transfers	(23,931,104)	(24,061,933)	(130,829)	0.5%
<b>TOTAL</b>	<b>\$ 191,428,805</b>	<b>\$ 188,772,545</b>	<b>\$ (2,656,260)</b>	<b>-1.4%</b>

### 2000 General Fund

The General Fund is expected to remain relatively level in 2000. The health of the local economy has been a major factor in revenue growth in several categories. One of these is the Hotel/Motel Tax which is expected to increase 16% because of the growth in the tourism industry. Several new hotels opened or expanded in mid 1999.

The local economic expansion will also have a positive impact on Sales Tax revenue. However, this impact is not reflected in the Sales Tax projection for 2000. The 2000 projection is based on a ten year trend. In 1998, the City created a Sales Tax Stabilization Program to pro-actively address possible downturns in the economy. By putting aside revenue which comes in above historical trends in good years, we will have funds to draw upon in bad years to avoid major service cuts or increases in property tax millage rates and fees.

The revenue increases generated by our healthy

economy have been offset by a decrease in Property Taxes. In 1999, the millage rate was reduced from 16.5 to 14.8 mills. The 2000 budget includes a further reduction to 13.9 mills. This results in a \$799,000 decrease in total Property Taxes.

### Base Budget Changes

**Wage Adjustment.** The budget includes a 2.75% wage increase for City employees. Of that percentage, 1.75% is to adjust the pay scale based on a review of market trends and 1% is for a wage increase. The cost of this increase and related social security equates to .8% of total 2000 expenditures (adjusted). This increase is necessary to keep City salaries competitive -- our annual pay survey found City salaries to be 8.3% below market rates for entry level and 1.5% below for employees at the midpoint of the pay scale -- and to keep employees' earnings on par with inflation.

The 2000 budget also includes funds for performance/skills pay. This program, part of the City's quality initiative, adjusts employee compensation only if performance targets are met and proficiency/skills increased.

**Debt Service.** To take advantage of lower interest rates, in 1998, the City refunded the Series 1990 Downtown Savannah Authority Bonds which financed improvements to the drainage system.

In addition to lowering the interest rate, the City took the opportunity to structure the Series 1998 Bonds so that the combined debt service requirements for all existing debt supported by the General Fund plus the Sanitation Fund will be level through the year 2006 at approximately \$12,847,000 annually. While the combined debt service requirements for the two funds is level, the debt service requirements for the Sanitation Fund are scheduled to increase annually to a peak of \$12,981,000 in year 2006, while the General Fund debt service requirements are scheduled to decrease. Thus, the restructuring will allow the General Fund to budget debt service stabilizing contributions to the Sanitation Fund so that the net overall requirements of both funds will be level. This will minimize, but not eliminate, future sanitation fee increases.

It is the City's desire to avoid future General Fund supported debt issuance. If this goal can be achieved, the City will realize a reduction of approximately \$5 million in debt service in the year 2007.

**Sanitation.** The 2000 subsidy to the Sanitation Fund is projected to increase from \$1,066,223 to \$1,597,137. The 2000 subsidy includes a \$972,065 debt service stabilization contribution from the General Fund. This subsidy is necessary due to the new debt for federally mandated air pollution control equipment at the Resource Recovery facility and to minimize fee increases.

In 2000, a cart replacement fee of \$0.25 per customer per month will be implemented to provide future funds for scheduled cart replacement. This new fee is estimated to generate approximately \$124,000 annually. Other fee adjustments are included under Fee Changes within this section.

## **2000 Service Improvements**

The number of approved service improvements in 2000 is less than the number requested by departments. With limited additional revenue sources, City departments are encouraged to improve services using existing resources. As in past years, departments must demonstrate that every effort has been made to increase the productivity of existing staff before a new position is added.

In 2000, service improvements address the following priority issues for the Savannah community:

- C **Livable Neighborhoods;**
- C **Public Safety;**
- **Customer Service.**

Other service improvements are aimed at better maintenance of City assets, improving efficiency of operations, and reducing medical costs by improving the health of the City workforce.

Service improvement allocations are provided below by fund.

### **Service Improvements by Fund**

General Fund	\$ 611,637
Sanitation Fund	54,730
Water Fund	10,300
Sewer Fund	58,120
I & D Fund	7,104
Civic Center Fund	32,119
Parking Fund	73,368
TOTAL	<u>\$ 847,378</u>

Descriptions of each service improvement by community priority issue follows.

**Neighborhoods** **\$333,645**

***Tree Planting Program - \$105,537.*** This service improvement will increase annual tree planting, will continue efforts to reverse the trend of removing more trees than planted and will contribute to the overall goal of a 50% tree canopy in the City.

***Sidewalk Sweeper for Park and Tree - \$7,850.***  
This equipment will enhance litter removal efforts

along Bay Street and River Street as well as Broughton Street sidewalks.

**Sidewalk Scrubber for Park and Tree - \$2,900.** This equipment will improve the cleanliness level on Rousakis Plaza and along Broughton Street.

**Eastside Regional Center - \$18,292.** Funds are provided to expand the After-School Program to include tutoring and homework assistance for youth in the center's service area.

**Keep Savannah Beautiful Director - \$47,650.** The Director will coordinate initiatives to reduce litter and blight in the City. This position will be located in the Bureau of Public Development.

**Preservation Assistant - \$32,086.** This position will work with the Metropolitan Planning Commission on historic district issues. This position will be located in the Public Development Bureau.

**Graffiti Removal Program - \$40,000.** This program will support a collaborative graffiti abatement effort that will include four City departments and the Savannah Development and Renewal Authority.

**Moses Jackson Center - \$24,600.** This community center is scheduled to open in late 1999. Funds are included to cover building maintenance responsibilities.

**Litter Service - \$54,730.** The Sanitation Bureau will increase the level of service currently provided to address the litter problem in the dumpster free zone. Two employees will be assigned to this area to provide continuous service to remove litter and debris.

**Public Safety \$74,000**

**Emergency Power Equipment for Robinson and State Street Garages - \$50,000.** Evening hours have been extended at the State Street Garage and extended hours are planned for the Robinson Garage in 2000. Two generators are included to replace the original battery powered system to provide back-up power for lighting, elevators, central booth, exit lighting, and gate equipment.

**Emergency Replacement Spares for Fiber**

**Optic Connection Equipment - \$12,000.** This service improvement will provide equipment for continuous uninterrupted radio communication for all City operating departments.

**Emergency Replacement Spares for Channel Banks - \$12,000.** This service improvement will provide uninterrupted radio communications for all City operating departments. This equipment is especially important for Police and Fire Communications.

**Customer Service \$94,202**

**Cultural Programming - \$38,234.** Equipment, staffing, and facility improvements will be provided to meet public demands for cultural programming.

**Robinson Garage Extended Hours - \$23,368.** This service improvement will extend the hours at the Robinson Garage from 6 a.m. until 1 a.m. Monday through Thursday, from 6 a.m. until 3 a.m. on Friday, and from 7 p.m. until 3 a.m. on Saturday. These extended hours will meet the parking needs in the City Market area along with other after hour establishments within close proximity of the Garage.

**Recorder's Court Space - \$12,000.** Renovations are planned for space on the first floor of the Chatham County Courthouse that will allow Recorder's Court to occupy one contiguous space. This improvement will allow the department to better meet customer needs.

**Upgrade of Telephone System - \$20,600.** This system upgrade will consolidate telephone systems used by Treasury and Utility Services within the Revenue Department. It will provide customer service enhancements by improving accessibility and response time for telephone customers.

**Efficient Services \$345,531**

**Intervent - \$73,000.** This service improvement will add a health, fitness, and weight management program to the City's Employee Health Program that targets employees at high risk for cardiovascular disease. The City's Employee Health Program is managed by the Human Resources Department.

**Delinquent Tax Collections - \$80,000.** This service improvement will provide funds to cover

the costs of issuing tax executions and holding a tax sale.

**Engineering Aide in Traffic Engineering - \$9,670.** Availability of the Engineering Aide on a full-time basis will allow the department to perform additional traffic counts, coordinate the inventory of traffic signs, and inspect pavement marking conditions.

**Contract Repair of Utility Cuts, Low Patches, Curbing, and Sidewalks - \$50,000.** Additional funding is included to reduce the backlog of service requests in the Streets Maintenance Department. Approximately 100 sites will be repaired.

**Contract Mowing - \$6,000.** This service improvement will provide support for the Streets Maintenance Department in mowing 50 parcels in the western portion of the City.

**Mowing Equipment for Building and Grounds - \$29,518.** This service improvement will provide equipment that will allow a consistent service level during periods of normal operations.

**Reduction of Casual Labor at the Civic Center - \$18,370.** This service improvement will reduce the use of casual labor by adding two City maintenance worker positions which will provide a more dependable workforce.

**Building Maintenance Technician for the Civic Center - \$13,749.** This position will provide manpower needed to complete maintenance activities and repairs.

**Senior Maintenance Mechanic for Lift Stations - \$58,120.** The Water Quality Control Department currently maintains 160 lift stations throughout Chatham County with a staff of five mechanics. The number of stations is projected to grow to 170 with the addition of Crossroads, the Godley Tract, and Hutchinson Island. The additional position is necessary to insure preventive maintenance is performed on schedule which will reduce the possibility of spills.

**Laboratory Technician - \$7,104.** The upgrade of the Laboratory Technician position in I & D Water will allow better supervision of day-to-day operations.

## **Fee Changes**

The 2000 Service Program and Budget is balanced with the following fee changes.

**Property Taxes.** The property tax millage rate was reduced from 16.5 to 14.8 mills in 1999. **A further reduction to 13.9 mills is included in the 2000 budget.** This reduction is estimated to more than offset the average increase in the digest resulting from revaluation of existing real property.

**Leisure Services.** The following Leisure Services fee changes are included in the 2000 budget.

	<u>Current</u>	<u>New</u>	<u>Additional Revenue</u>
Softball			
Spring	\$440	\$450	\$1,000
Fall	350	360	750
Tennis			
Team-Individual	30	31	1,600
Court Fee	2.25	2.50	500
Adult Basketball			
Citywide League	340	350	180
Employee League	170	180	50
Cultural Affairs			
Theater Class	50	60	<u>2,500</u>
TOTAL			<u>\$6,580</u>

**Cemeteries.** Various fee changes are proposed for interment services, burial rites, and other cemetery services in 2000. New fees are proposed for burial instruction recording (\$10) and lot diagram preparation (\$15). Additional revenue in the amount of \$27,536 is projected from these Cemetery fee changes.

**Sanitation.** The following fee increases are proposed for the Downtown and River Street dumpster free zone to provide increased litter pick-up services. These increases will generate \$54,000 to cover the cost of expanding the litter pick-up program.

<u>Fee per cubic yard</u>	<u>Current</u>	<u>New</u>
Compactors - Downtown	\$ 2.65	\$ 3.15
Compactors - River Street	\$ 2.90	\$ 3.40

The following fee increase is recommended for commercial disposal. It is less than the rate agreed upon with the business representatives on the commercial disposal fee task force. It will

generate \$190,500 in additional revenue to cover the increased costs of solid waste disposal.

<u>Fee per cubic yard</u>	<u>Current</u>	<u>New</u>
Commercial Disposal	\$ 2.50	\$ 2.60

The tipping fee at the Resource Recovery Facility and the Landfill will be increased from \$55 per ton to \$58.50 per ton.

The following increase to the Residential Refuse monthly fee is to provide funding for future cart replacement.

	<u>Current</u>	<u>New</u>
Residential Refuse	\$ 18.75	\$ 19.00

This will generate \$124,000 in additional revenue in 2000 which will be placed in a fund reserved for future cart replacements.

**Parking.** To bring Parking Garage rates closer to the market value of the space, the following monthly rate increase is included in the budget.

	<u>Current</u>	<u>New</u>	<u>Additional Revenue</u>
Regular Customers	\$50	\$60	\$153,000

The revenue generated from this increase will be used to plan for new parking structures to continue improving parking availability in the downtown area.

**Water & Sewer.** In 2000, no increase in rates is required for water services or for the sewer base rate. However, there is a \$0.06 per 100 cubic feet (CCF) increase to the sewer usage rate for inside-City customers and a \$0.09 per CCF increase for outside-City customers.

The total projected cost of capital improvements

presented in the five year Capital Improvement Program (2000 - 2004) is \$40,694,774. Funding of the capital program is provided by a combination of current revenues, water and sewer tap-in fees, surcharges for new development, bonds, low interest loans from GEFA and SRF, and interest revenue.

These projects are needed to maintain the system's existing capacity, comply with environmental regulations, support economic growth of the community and provide for increased surface water supply to lessen reliance on the Floridan aquifer.

A rate plan has been computed which will provide sufficient metered revenues over the five year financial plan period. The rates proposed for year 2000 compared to current 1999 rates are as follows:

#### **Water & Sewer Rates**

	<u>Current</u>	<u>New</u>
<b>Water</b>		
Base	\$11.06	\$11.06
Per CCF		
0 to 15 CCFs	.46	.46
Over 15 CCFs	.64	.64
<b>Sewer</b>		
Base	\$8.80	\$8.80
Per CCF		
0 to 15 CCFs	0.94	1.00
Over 15 CCFs	1.32	1.38

In the years 2000 through 2004, water and sewer rates for the typical user are projected to increase at an annual average of less than 2%.